



**U.S. Department of Justice**

*United States Attorney  
Southern District of New York*

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*The Silvio J. Mollo Building  
One Saint Andrew's Plaza  
New York, New York 10007*

April 28, 2021

**VIA ECF AND EMAIL**

Honorable Lorna B. Schofield  
United States District Judge  
Southern District of New York  
40 Foley Square  
New York, New York 10007

**Re: *United States v. Sohrab Sharma et al.*, 18 Cr. 340 (LGS)**

Dear Judge Schofield:

Pursuant to this Court's Order of April 14, 2021 (Dkt. 489) in the above-captioned matter, the Government and seven victims of the defendants' fraud on Centra Tech, Inc. investors (the "Claimants") who have filed an amended third-party petition pursuant to 21 U.S.C. § 853(n) in this case (the "Amended Petition") respectfully submit this letter to update the Court on (i) the status of efforts to settle the Amended Petition without further litigation, (ii) the schedule for the Government's motion to permit the remission process to begin as to a portion of the forfeited Ether, with \$6.2 million in dispute to remain in safekeeping while the Amended Petition is litigated; and (iii) the parties discussions regarding the scope and length of discovery.

Mindful of the Court's suggestions that the Government and the Claimants engage in settlement discussions in an effort to reduce unnecessary delays in the planned remission process, the parties have continued to confer regarding the possibility of reaching a settlement to resolve the Claimants' Amended Petition. In addition, the Government has been conferring internally, within the United States Attorney's Office for the Southern District of New York, and with the Department of Justice's Money Laundering and Asset Recover Section ("MLARS"), whose approval is required for any potential settlement, regarding the terms of a potential settlement. The parties have made significant progress toward reaching a potential settlement, and those discussions remain ongoing.

In order to afford the parties additional time for productive settlement discussions which could obviate the need for further motions practice, the parties respectfully request that the Court adjourn the current briefing deadlines by two weeks.<sup>1</sup> The parties agree and propose that both

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<sup>1</sup> The recent notice of appeal filed by defendant Sharma indicating his intention to challenge both his conviction and sentence (Dkt. 474) will at least temporarily delay the initiation of the planned remission program to compensate victims of the defendants' fraud. Because the forfeiture of all of the Seized Ether Units and all of the proceeds from their liquidation is predicated on Sharma's criminal fraud conspiracy convictions, MLARS cannot initiate a remission program as to any of those proceeds (including the \$27.2 million in forfeiture proceeds that are indisputably not demanded by any claims in the Amended Petition) and the Government cannot use any of those proceeds to settle the Claimants' Amended Petition unless and until Sharma's appeal as to his

anticipated motions – the Government’s motion to dismiss the Amended Petition and motion requesting permission to begin the remission process as to a portion of the forfeited Ether – be briefed in parallel on the following schedule:

- Government’s moving papers due on May 24, 2021.
- Claimants’ response due on June 14, 2021; and
- Government’s reply due on June 28, 2021.

In addition, because the outcome of the anticipated motions will necessarily affect the scope and length of discovery for ancillary litigation in this case, the parties respectfully propose presenting an agreed-upon discovery schedule to the Court after the Court rules on the Government’s motions.

For the reasons set forth above, Claimants and the Government respectfully request that the Court adopt the briefing schedule that the Government and the Claimants have jointly proposed. In addition, the Claimants and the Government respectfully propose to provide the Court with a further update regarding potential settlement discussions by May 7, 2021.

Respectfully submitted,

ILAN T. GRAFF  
Attorney for the United States  
Acting Under 28 U.S.C. § 515

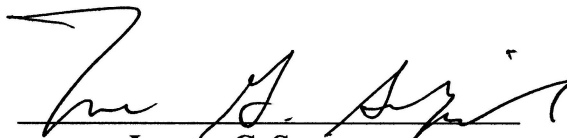
by: /s/  
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cc: Donald J. Enright, Esq.  
All other counsel of record

The application is GRANTED. By **May 24, 2021**, the Government shall file its motion to dismiss and motion to begin the remission process as to a portion of the forfeited Ether. By **June 14, 2021**, Claimants shall file their opposition. By **June 28, 2021**, the Government shall file its reply. By **May 7, 2021**, Claimants and the Government shall file a status letter providing an update as to settlement discussions.

SO ORDERED

Dated: April 29, 2021  
New York, New York

  
**LORNA G. SCHOFIELD**  
**UNITED STATES DISTRICT JUDGE**